

**Testimony of Brad Smith:
Senate Special Committee on Aging
July 29, 2003**

Chairman Craig, Senator Breaux, and other members of the Special Committee on Aging, it is an honor and a privilege to be here today to speak with you.

My name is Brad Smith and I am a junior at Harvard University majoring in economics and government. For the past two years, I have led a group of twenty Harvard students that has studied social security and developed a 5-point plan that remedies the fiscal insolvency and increases the equality of the current social security system. We have discussed our plan with notable individuals including Harvard President and former Secretary of the Treasury Lawrence Summers, former CEA director Martin Feldstein, current CEA director Gregory Mankiw, former Senators David Pryor and Warren Rudman, and current Senators Kennedy and Hagel.

However, the reason I am here today is not to tell you about what my group has done, but rather to implore you to lead Congress and take immediate action to guarantee that my generation has financial security in our retirement.

Since the social security system was instituted by Franklin Roosevelt in 1935, the system has lifted millions of our nation's retirees out of poverty. But I am frightened for my peers because, as you have heard today, the system may not be able to do this for my generation of Americans.

According to the Social Security Administration, if no changes are made to the current system, my generation will only be able to receive 75% of the benefits retirees today receive. This means that my generation of Americans will not have the social "insurance" we have been promised. This means that millions of retirees in my generation will fall below the poverty line. And this means that my generation will receive less in benefits than we paid in taxes, never mind seeing a return on our investment.

It is clear- the insolvency of the social security system is a threat to the social welfare of our nation's future retirees.

The good news, however, is that each of you has the power to protect these future retirees. And that's why I am here today- to plead with each one of you to take action- and to take it immediately.

Every day you delay, the cost of fixing the problem increases. Yes, it's better to undertake reform in an economic boom than during an economic recovery. Yes, it's better to undertake reform when there is a budget surplus rather than when there is a budget deficit. But, as any investor will tell you, it's better to start investing today than it is to start investing tomorrow.

I know that social security is not an easy program to fix- if it was, it would have already been done. **But I believe that is why Chairman Craig asked me here today- to be a voice for the millions of Americans who the current system will fail.**

I am not here to promote a specific solution, but I do believe that the plan my group has developed can serve as a starting point for a discussion on reform. Using a Social Security Administration caliber model, my group has developed a 5-point plan that is progressive and that addresses the fiscal insolvencies of the current system. Our plan includes investing a portion of the FICA tax, redistributing wealth to lower income and minority Americans, and ensuring that all retirees receive at least 100% of their promised benefits.

However, no matter how good our plan is and no matter how hard we work to inform Americans of the importance of reforming the system, the power to change the system lies in your hands.

My generation needs you to be bold and commit yourselves to developing, publicizing, and passing a bipartisan reform plan. It will be difficult, and perhaps even controversial, but in the end, I can guarantee you that it will be worthwhile. My generation will thank you- and your generation will leave a great legacy behind.

Thank you for your time.